GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1980
ANSWERED ON:03.08.2001
CREDIT TO WOMEN
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

(a) whetherthe Government has recently organized a seminar on `Credit flow to women`;

(b) if so, the matter discussed in seminar and the action taken by the Government thereon;

(c) the system available with Government to ensure that women get an adequate percentage of credit from all banks;

(d) whether banks do not maintain and implement such policies; and

(e) if so, the penal action initiated against banks for such violations?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) Yes, Sir. A Seminar on `Credit Flow to Women` was organized by the Ministry of Finance (Banking Division) on 30th June, 2001.

(b) to (e) A number of issues were discussed in the Seminar which includes, inter alia, (1) 14-Point Action Plan for Strengthening of Credit Delivery to Women (2) issues emanating from the presentations of Working Groups formed on the following topics viz.

(i) Credit to Women for Productive Ventures - Role of Entrepreneurship Development,access to technology, counseling and guidance, linkages and marketing,

(ii) Role of specialized bank branches in enhancing credit flow to women,

(iii) Enhancing credit flow to women - sensitization of bank staff, publicity campaigns and role of Non-Government Organizations/Self Help Groups; and

(iv) Coverage of women under Government sponsored employment generation and povertyalleviation schemes - problems and remedial measures.

The following main decisions were taken in the Seminar:

(i) The 14-Point Action Plan for strengthening of credit delivery to women should be properly implemented by alt public sector banks;

(ii) It was directed that banks should earmark 5 per cent of their net bank credit (NBC)to women within three years, instead of five years as envisaged earlier. This implies that all banks are required to achieve the target of 5 per cent of NBC to women by 31st March, 2004;

(iii) Consultative groups comprising 4-5 women, representing entrepreneurs, social workers, prominent local women etc. should be formed at the branch level. These groups will interact with the bank branch and will serve as a link between the branch and the women of the area. Similar groups are to be formed at the regional and head office for better and more effective interaction;

(iv) Procedural formalities by banks for loans to women should be further simplified. Accordingly, the public sector banks have been advised by the Reserve Bank of India (RBI)to take follow up action on the above decisions. They have also been advised to create a separate data base for amounts advanced to women through micro credit, credit to small scale industries, credit to medium and large scale industries, Government sponsored schemes and other different schemes of banks and to submit quarterly reports in the revised format to the RBI with effect from September, 2001.